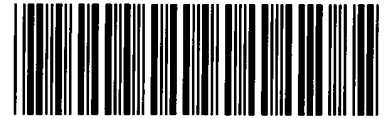


**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
DEVONSHIRE CLUB (HOLDINGS) LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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DIRECTORS:

P A F Harris
M R Carrington
M N Mansur
E A Mansur
Ms J Robertson
Ms A E Entwistle

REGISTERED OFFICE:

21 Marina Court
Hull
HU1 1TJ

REGISTERED NUMBER:

09476135 (England and Wales)

AUDITORS:

BDO LLP
55 Baker Street
London
W1U 7EU

SOLICITORS:

Brabners LLP
55 King Street
Manchester
M2 4LQ

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the Group is that of a high quality 68-bedroom private members club, with restaurant and bar facilities. The club opened in early summer 2016.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the period from 1 January 2016:

P A F Harris

B M Clivaz - resigned 11 September 2017

I G Robinson – resigned 17 November 2017

M N Mansur

E A Mansur

Ms J Robertson - appointed 12 February 2016

Ms A E Entwistle - appointed 12 February 2016

M R Carrington – appointed 17 November 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITORS

BDO LLP have been appointed as the auditors of the company. Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditors 28 days after these financial statements have been sent to members or 28 days after the latest date prescribed for filing the financial statements, whichever is the earlier.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

This report has been prepared in accordance with the provisions of the Companies Act 2006 relating to small companies.

FOR AND ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'M R Carrington', written over a horizontal line.

M R Carrington - Director

Date: 29 November 2017

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DEVONSHIRE CLUB (HOLDINGS) LIMITED**

We have audited the financial statements of Devonshire Club (Holdings) Limited for the year ended 31 December 2016 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Geraint Jones (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
W1U 7EU

Date 29 November 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

		Year Ended 31.12.16 £	Period 1.4.15 to 31.12.15 £
	Notes		
TURNOVER		3,338,295	-
Cost of sales		<u>3,269,761</u>	<u>-</u>
GROSS PROFIT		68,534	-
Administrative expenses		<u>6,257,239</u>	<u>2,587,969</u>
		(6,188,705)	(2,587,969)
Other operating income		<u>-</u>	<u>9,062</u>
OPERATING LOSS	4	(6,188,705)	(2,578,907)
Interest receivable and similar income		<u>1,013</u>	<u>-</u>
		(6,187,692)	(2,578,907)
Interest payable and similar expenses	5	<u>247,948</u>	<u>-</u>
LOSS BEFORE TAXATION		(6,435,640)	(2,578,907)
Tax on loss	6	<u>(1,042,208)</u>	<u>(515,781)</u>
LOSS FOR THE FINANCIAL YEAR		(5,393,432)	(2,063,126)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(5,393,432)</u>	<u>(2,063,126)</u>
Loss attributable to: Owners of the parent		<u>(5,393,432)</u>	<u>(2,063,126)</u>
Total comprehensive income attributable to: Owners of the parent		<u>(5,393,432)</u>	<u>(2,063,126)</u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016

	Notes	31.12.16 £	31.12.15 £
NON CURRENT ASSETS			
Tangible assets	7	21,798,739	11,390,362
Deferred tax	16	<u>1,557,989</u>	<u>515,781</u>
		23,356,728	11,906,143
CURRENT ASSETS			
Stocks	9	95,592	-
Debtors	10	147,252	1,535,410
Cash at bank		<u>534,042</u>	<u>184,721</u>
		776,886	1,720,131
CREDITORS			
Amounts falling due within one year	11	<u>7,397,879</u>	<u>1,638,592</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(6,620,993)</u>	<u>81,539</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,735,735	11,987,682
CREDITORS			
Amounts falling due after more than one year	12	<u>14,442,290</u>	<u>7,050,805</u>
NET ASSETS		<u><u>2,293,445</u></u>	<u><u>4,936,877</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	15	9
Share premium	18	9,249,988	6,499,994
Merger reserve	18	500,000	500,000
Retained earnings	18	<u>(7,456,558)</u>	<u>(2,063,126)</u>
SHAREHOLDERS' FUNDS		<u><u>2,293,445</u></u>	<u><u>4,936,877</u></u>

The financial statements were approved by the Board of Directors on 29 November 2017 and were signed on its behalf by:



M R Carrington - Director

COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016

	Notes	31.12.16 £	£	31.12.15 £	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		-		-
Investments	10		<u>3</u>		<u>3</u>
			3		3
CURRENT ASSETS					
Debtors	12	<u>9,250,000</u>		<u>6,500,000</u>	
NET CURRENT ASSETS			<u>9,250,000</u>		<u>6,500,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,250,003</u>		<u>6,500,003</u>
CAPITAL AND RESERVES					
Called up share capital	19		15		9
Share premium	20		<u>9,249,988</u>		<u>6,499,994</u>
SHAREHOLDERS' FUNDS			<u>9,250,003</u>		<u>6,500,003</u>
Company's profit for the financial year			<u>-</u>		<u>-</u>

The financial statements were approved by the Board of Directors on 29 November 2017 and were signed on its behalf by:



M R Carrington - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Retained earnings £	Share premium £	Merger reserve £	Total equity £
Changes in equity					
Issue of share capital	9	-	6,499,994	-	6,500,003
Total comprehensive income	-	(2,063,126)	-	-	(2,063,126)
Reserve arising on consolidation	-	-	-	500,000	500,000
Balance at 31 December 2015	<u>9</u>	<u>(2,063,126)</u>	<u>6,499,994</u>	<u>500,000</u>	<u>4,936,877</u>
Changes in equity					
Issue of share capital	6	-	2,749,994	-	2,750,000
Total comprehensive income	-	(5,393,432)	-	-	(5,393,432)
Balance at 31 December 2016	<u>15</u>	<u>(7,456,558)</u>	<u>9,249,988</u>	<u>500,000</u>	<u>2,293,445</u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Changes in equity				
Issue of share capital	<u>9</u>	<u>-</u>	<u>6,499,994</u>	<u>6,500,003</u>
Balance at 31 December 2015	<u>9</u>	<u>-</u>	<u>6,499,994</u>	<u>6,500,003</u>
 Changes in equity				
Issue of share capital	<u>6</u>	<u>-</u>	<u>2,749,994</u>	<u>2,750,000</u>
Balance at 31 December 2016	<u>15</u>	<u>-</u>	<u>9,249,988</u>	<u>9,250,003</u>

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

		Year Ended 31.12.16 £	Period 1.4.15 to 31.12.15 £
Cash flows from operating activities	Notes		
Cash generated from operations	1	(535,530)	289,251
Interest paid		(232,652)	-
Interest element of hire purchase payments paid		(15,296)	-
Net cash from operating activities		(783,478)	289,251
Cash flows from investing activities			
Purchase of intangible fixed assets		(44,708)	-
Purchase of tangible fixed assets		(9,468,004)	(10,810,439)
Interest received		1,013	-
Net cash from investing activities		(9,511,699)	(10,810,439)
Cash flows from financing activities			
Loan advances in year		7,377,351	3,705,906
Hire purchase advances in year		697,404	-
Capital repayments in year		(180,257)	-
Share issue		2,750,000	6,500,003
Share issue by subsidiary		-	500,000
Net cash from financing activities		10,644,498	10,705,909
Increase in cash and cash equivalents		349,321	184,721
Cash and cash equivalents at beginning of year	2	184,721	-
Cash and cash equivalents at end of year	2	534,042	184,721

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Year Ended 31.12.16 £	Period 1.4.15 to 31.12.15 £
Loss before taxation	(6,435,640)	(2,578,907)
Depreciation charges	510,363	-
Other contributions	523,038	523,038
Finance costs	247,948	-
Finance income	(1,013)	-
	<u>(5,155,304)</u>	<u>(2,055,869)</u>
Increase in stocks	(95,592)	-
Decrease/(increase) in trade and other debtors	865,120	(529,166)
Increase in trade and other creditors	<u>3,850,246</u>	<u>2,874,286</u>
Cash generated from operations	<u>(535,530)</u>	<u>289,251</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2016

	31.12.16 £	1.1.16 £
Cash and cash equivalents	<u>534,042</u>	<u>184,721</u>

Period ended 31 December 2015

	31.12.15 £	1.4.15 £
Cash and cash equivalents	<u>184,721</u>	<u>-</u>

3. MAJOR NON-CASH TRANSACTIONS

During the previous period, Devonshire Club Limited became a wholly-owned subsidiary of Devonshire Club (Holdings) Limited through a share for share exchange.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. STATUTORY INFORMATION

Devonshire Club (Holdings) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of the minority interest. The excess of the cost of acquisition over the fair value of the Group's share of identifiable assets is recorded as goodwill.

Transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed (where necessary) to ensure consistency with the policies adopted by the Group.

Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. In addition the Group has received an undertaking from its shareholders to confirm continued financial support statements and therefore, the financial statements have been prepared on a going concern basis.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group. Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the following rates and basis:

Long leasehold buildings	- 33 years straight line
Fixtures and fittings	- 5 years straight line
Computer equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated Statement of Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, the directors have made the following judgements:

- Considering the recoverability of deferred tax assets for evidence of impairment given expected cash flows.
- Determine whether there are indicators of impairment of the group's tangible asset. Factors taken into consideration in reaching such a decision include the expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

3. EMPLOYEES AND DIRECTORS

	Year Ended 31.12.16 £	Period 1.4.15 to 31.12.15 £
Wages and salaries	2,774,669	30,450
Social security costs	<u>270,315</u>	<u>3,362</u>
	<u>3,044,984</u>	<u>33,812</u>

	Year Ended 31.12.16	Period 1.4.15 to 31.12.15
The average monthly number of employees during the year was as follows	<u>99</u>	<u>2</u>
	<u>99</u>	<u>2</u>

	Year Ended 31.12.16 £	Period 1.4.15 to 31.12.15 £
Directors' remuneration	<u>98,333</u>	<u>-</u>

4. OPERATING LOSS

The operating loss is stated after charging:

	Year Ended 31.12.16 £	Period 1.4.15 to 31.12.15 £
Hire of plant and machinery	6,696	-
Other operating leases	2,981,613	2,352,540
Depreciation	510,363	-
Auditors' remuneration	<u>9,300</u>	<u>12,000</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.12.16 £	Period 1.4.15 to 31.12.15 £
Bank loan interest	232,652	-
Hire purchase	<u>15,296</u>	<u>-</u>
	<u>247,948</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

6. TAXATION**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	Year Ended 31.12.16 £	Period 1.4.15 to 31.12.15 £
Deferred tax and tax on loss	<u>(1,042,208)</u>	<u>(515,781)</u>

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.12.16 £	Period 1.4.15 to 31.12.15 £
Loss before tax	<u>(6,435,640)</u>	<u>(2,578,907)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	(1,287,128)	(515,781)
Effects of:		
Expenses not deductible for tax purposes	162,920	-
Effect of reduction in tax rate on deferred tax asset	<u>82,000</u>	<u>-</u>
Total tax credit	<u>(1,042,208)</u>	<u>(515,781)</u>

The Group has approximately £8.2m of losses available, subject to the agreement of HM Revenue & Customs, to offset future taxable profits. Based on the expected utilisation of these losses, a deferred tax asset has been provided as set out in note 16.

7. TANGIBLE FIXED ASSETS**Group**

	Long leasehold buildings £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2016	11,390,362	-	-	11,390,362
Additions	<u>8,792,890</u>	<u>1,851,208</u>	<u>274,662</u>	<u>10,918,740</u>
At 31 December 2016	<u>20,183,252</u>	<u>1,851,208</u>	<u>274,642</u>	<u>22,309,102</u>
DEPRECIATION				
Charge for year	<u>293,666</u>	<u>175,598</u>	<u>41,099</u>	<u>510,363</u>
At 31 December 2016	<u>293,666</u>	<u>175,598</u>	<u>41,099</u>	<u>510,363</u>
NET BOOK VALUE				
At 31 December 2016	<u>19,889,586</u>	<u>1,675,610</u>	<u>233,543</u>	<u>21,798,739</u>
At 31 December 2015	<u>11,390,362</u>	<u>-</u>	<u>-</u>	<u>11,390,362</u>

Fixtures and fittings included in the above which are held under hire purchase contracts amount to £677,501.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

8. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 January 2016
and 31 December 2016

3

The Group or the Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiary

Devonshire Club Limited

Registered office: 21 Marina Court, Hull, East Yorkshire, HU1 1TJ

Nature of business: Private members club

	% holding	31.12.16	31.12.15
Class of shares:		£	£
Ordinary	100.00	(6,956,554)	(1,563,123)
Aggregate capital and reserves		<u>(5,393,431)</u>	<u>(2,052,604)</u>
Loss for the year/period			

During the previous period, the Company acquired the entire issued share capital of Devonshire Club Limited under a share for share exchange agreement.

The fair values of the separable net assets at the date of acquisition were determined to be equivalent to their book values. Under the provisions of section 612 Companies Act 2006, no premium is recognised on the shares issued by the Company in connection with acquisition. A reserve of £500,000 therefore arises on consolidation.

9. STOCKS

	Group	
	31.12.16	31.12.15
	£	£
Stocks	<u>95,592</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

10. DEBTORS

	Group		Company	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	12,150	-	-	-
Amounts owed by group undertakings	-	-	9,250,000	6,500,000
Other debtors	10,821	1,281,221	-	-
Prepayments and accrued income	124,281	254,189	-	-
	<u>147,252</u>	<u>1,535,410</u>	<u>9,250,000</u>	<u>6,500,000</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	31.12.16	31.12.15
	£	£
Bank loans and overdrafts	1,000,000	-
Hire purchase contracts	230,836	-
Trade creditors	752,725	1,586,166
Social security and other taxes	370,957	2,976
Other creditors	29,095	-
Accruals and deferred income	5,014,266	49,450
	<u>7,397,879</u>	<u>1,638,592</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	31.12.16	31.12.15
	£	£
Bank loans	10,182,285	3,705,906
Hire purchase contracts	286,311	-
Accruals and deferred income	3,973,694	3,344,899
	<u>14,442,290</u>	<u>7,050,805</u>

13. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31.12.16	31.12.15
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>1,000,000</u>	<u>-</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>2,250,000</u>	<u>1,500,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>7,932,285</u>	<u>2,205,906</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31.12.16	31.12.15
	£	£
Net obligations repayable:		
Within one year	230,836	-
Between one and five years	<u>286,311</u>	<u>-</u>
	<u>517,147</u>	<u>-</u>

Group

	Non-cancellable operating leases	
	31.12.16	31.12.15
	£	£
Within one year	1,752,685	1,752,685
Between one and five years	7,645,824	7,536,545
In more than five years	<u>94,658,609</u>	<u>96,994,061</u>
	<u>104,057,117</u>	<u>106,283,291</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	31.12.16	31.12.15
	£	£
Bank loans	11,500,000	4,122,649
Hire purchase contracts	517,147	-
Unamortised finance costs	<u>(317,715)</u>	<u>(416,743)</u>
	<u>11,699,432</u>	<u>3,705,906</u>

Bank loans are secured by a debenture over all the Group's current and future leased and freehold property, and intellectual property rights.

The bank loan matures in March 2020 and interest is charged at 3.5% plus LIBOR.

Amounts advanced under hire purchase agreements are secured on the assets to which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

16. DEFERRED TAX

The components of the deferred tax asset are set out below:

	31.12.16 £	31.12.15 £
Deferred tax asset		
Expenses allowable against future taxable profits	<u>1,557,989</u>	<u>515,781</u>
	<u>1,557,989</u>	<u>515,781</u>

The increase in the deferred tax asset in the period of £1,042,208 arises from a credit to the profit and loss account.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.16 £	31.12.15 £
133,750	Ordinary	£0.0001	14	8
11,250	Non-participating	£0.0001	<u>1</u>	<u>1</u>
			<u>15</u>	<u>9</u>

During the period, 55,000 shares have been issued in aggregate for a total consideration of £2,750,000. Ordinary shares have the right to vote and receive a dividend if declared. Non-participating shares do not confer a right to be paid a dividend or attend or vote at the company's annual general meeting.

18. RESERVES**Group**

	Retained earnings £	Share premium £	Merger reserve £	Totals £
At 1 January 2016	(2,063,126)	6,499,994	500,000	4,936,868
Deficit for the year	(5,393,432)			(5,393,432)
Premium on allotment	<u>-</u>	<u>2,749,944</u>	<u>-</u>	<u>2,749,944</u>
At 31 December 2016	<u>(7,456,558)</u>	<u>9,249,988</u>	<u>500,000</u>	<u>2,293,430</u>

Company

	Retained earnings £	Share premium £	Totals £
At 1 January 2016	-	6,499,994	6,499,994
Profit for the year	-	-	-
Premium on allotment	<u>-</u>	<u>2,749,994</u>	<u>2,749,994</u>
At 31 December 2016	<u>-</u>	<u>9,249,988</u>	<u>9,249,988</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

19. CAPITAL COMMITMENTS

	31.12.16	31.12.15
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>6,430,000</u>

20. RELATED PARTY DISCLOSURES**SUSD Limited**

A shareholder in the company

SUSD Limited provided project management, design and related consultancy services to the company on normal commercial terms. During the period the Group was billed £42,711 (Period to 31 December 2015 - £802,436) by SUSD Limited in respect of these services. There were no amounts outstanding to SUSD Limited at 31 December 2016.

Clivaz Palmer Green Limited

A company of which Mr B Clivaz is a shareholder and director.

During the period, Clivaz Palmer Green Limited has provided services to the Group to the value of £30,000 (Period to 31 December 2015 - £262,620). There were no amounts outstanding to Clivaz Palmer Green Limited at 31 December 2016.

Gusbourne Estate Limited

Michael Ashcroft is the ultimate controlling party of Gusbourne Estate Limited. During the period Gusbourne Estate Limited has provided goods to the company to the value of £25,918. As at 31 December 2016, £3,138 is outstanding to Gusbourne Estate Limited.

LT Management Services Limited

Michael Ashcroft is the ultimate controlling party of LT Management Services Limited. During the period LT Management Services Limited has provided services to the company to the value of £165,750. As at 31 December 2016, £5,376 is outstanding to LT Management Services Limited.

21. POST BALANCE SHEET EVENTS

Subsequent to the period end, the company has issued further Ordinary Shares for an aggregate consideration of £4,900,000.

22. CONTROLLING PARTY

The ultimate controlling party is Michael Ashcroft.